

# County Health and Retirement Benefits

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Office of Human Resources

3/2/2010

## CountyStat Principles

- **Require Data-Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



# Agenda

- **Welcome and introductions**
- **Meeting goal**
- **Overview of County benefits**
- **Budget savings scenarios**
- **Health benefits**
  - Performance data (cost, quality, and customer service)
  - Comparison to similar jurisdictions
- **Retirement benefits**
  - Performance data (cost, quality, and customer service)
  - Comparison to similar jurisdictions



## Meeting Goal

The purpose of today's meeting is to:

- Identify and develop measures for retirement and health benefits that demonstrate how well the County is doing with regard to cost, quality and customer service.
- Compare County benefits with other jurisdictions to identify areas for improvement.



## Goals of OHR Benefits Management & Administration

**Beyond enrolling employees in County benefits, the Office of Human Resources has the following goals:**

- Employees who appreciate the value of their benefit programs.
- Benefit programs that are competitive with other employers in terms of offerings and value.
- Benefit programs that are “user-friendly” and easy to access.
- Employees who understand their benefit programs.
- Benefit programs that meet the individual needs of employees (satisfaction).

Cost	Quality	Customer Service
X	X	
X	X	
	X	X
		X
	X	X

**In addition, within the Benefits Team’s core business strategies, the following key features are highlighted:**

- Customer service
- Accurate data and calculations for all benefits, group insurance and retirement, according to plan terms, and federal and state law.

		X
		X



Source: OHR, Benefits Team documents

## Goals of OHR Benefits Management & Administration

- In addition to the goals stated by OHR, CountyStat recommends that the department distinguish between the different goals of cost containment:
  - Provide value to employees
  - Be competitive with other employers in order to attract high quality employees
  - Minimize cost increases to the County



## Overview of County Health and Retirement Benefits

Benefits		Number of participants* As of 2-1-2010				Cost to the County
		Medical	Dental	Vision	Rx	Total (All Funds, no grants)
Health*	Active	8,188	8,558	8,029	7,045	Proj. 2010 Claims: \$144,032,677 Proj. 2010 Expenses: \$9,488,351 Premium: \$19,824,648 <b>TOTAL: \$173,345,676</b>  (2009 Total Equivalent: \$157,489,984)
	Retirees	4,331	4,587	2,515	3,101	
Retirement**		Annuitants	Survivors	Disabled	Total	FY09 - \$168,618,251
		3,957	386	1,036	5,379	

This table displays data, current as of 2-1-2010, on the number of participants and cost of health and retirement benefits. The health benefits total cost of \$190 million includes the cost of both premiums and claims.

Source: \*OHR, 2010 Rate Setting Book

\*\*OHR, FY09 Summary



## Health Benefits Findings

### Cost

- (A) In all categories (Single, Employee+1, Family), the Carefirst High option has the highest employee enrollment of the 4 medical plan choices

Plan	Carefirst High	Carefirst Stand.	Kaiser HMO	UHC HMO
Enrollment	5,141	320	1,091	1,636

- (B) Employees do not have to “buy up” to participate in the High option medical plan
  - If all employees either had to pay the additional premium cost, or enroll in the Standard option, CountyStat estimates the yearly savings to be \$2.97 million.

Estimated Monthly Savings	Estimated Yearly Savings
\$247,773.33	\$2,973,279.96





# Health Benefits Findings

## Cost

- (C) 5 of the 9 organizations reviewed indicate the plan with the highest enrollment is an HMO, including MCPS
  - (D) In each of those cases, the organization covers a higher % of the premium for employees selecting an HMO plan
- (E) Of the 9 organizations, Montgomery County has the (1) highest average total premium, and the (2) highest total premium for the plan with the most enrollment
  - Premiums reflect the total cost of medical, dental, vision and Rx, though medical is the primary driver as the largest component

Employer premium		Single	Employee + Spouse*	Family
Montgomery Co	(1)	597.69	1,106.93	1,756.78
	(2)	685.53	1,236.87	1,989.00
Range (excluding Mont. Co.)	High	474.10	1,008.05	1,329.65
	Low	359.20	725.82	970.43



# Health Benefits Findings

## Cost – Prescription Coverage

- (F) In all categories (Single, Employee+1, Family), the Caremark High Option has the highest employee enrollment of the stand-alone Rx plan choices

Plan	High	Standard	Total
Enrollment	4,953	2,092	7,045

- (G) Montgomery County is the only organization of the 9 reviewed with a “high option” Rx plan, resulting in the lowest co-pays of those organizations
  - County employees have to pay more to participate in the high option.

Plan	Separate Rx Premium	Rx Deductible	Retail Co-pays	Mail Order Co-pays
Caremark High	Yes	No	\$4/ n.a. / \$8	\$4/ n.a. / \$8
Caremark St	Yes	\$50	\$10/ \$20/ \$35	\$10/ \$20/ \$35
Kaiser (HMO)	No	No	\$5 (\$15*)	\$5

- (H) The County takes advantage of mandatory mail order as a cost containment measure; it does not make use mandatory generic or 4<sup>th</sup> tier drug co-pay provisions

	Mandatory Generic Provision	Mandatory Mail Order Provision	Fourth-tier Drugs Co-pay
Caremark High	No	Yes	No
Caremark St	No	Yes	No
Kaiser (HMO)	n.a.	n.a.	n.a.



## (A) Health Benefits – Employee selections by type of coverage

County Actives	Number of Participants (As of 2-1-2010)									
	Medical					Dental	Vision	Prescription - Caremark		
	Carefirst High	Carefirst Stand.	Kaiser	UHC	Total			High	Stand-ard	Total
<b>Individual</b>	1,666	140	<b>426</b>	<b>485</b>	2,717	2,760	2,535	1,677	590	2,267
<b>Employee + 1</b>	1,244	79	<b>263</b>	<b>406</b>	1,992	2,181	2,104	1,268	463	1,731
<b>Family</b>	2,231	101	<b>402</b>	<b>745</b>	3,479	3,617	3,390	2,008	1,039	3,047
<b>Total</b>	<b>5,141</b>	<b>320</b>	<b>1,091</b>	<b>1,636</b>	<b>8,188</b>	<b>8,558</b>	<b>8,029</b>	4,953	2,092	<b>7,045</b>

This table displays data, current as of 2-1-2010, on the number of “County active” participants (excluding retirees) participating in each type of available coverage (i.e. individual, employee+1, family).



Source: OHR, Enrollment Summary, 2-1-2010

## (B) Health Benefits – Estimated Savings Related to Carefirst High Option

Type of Coverage	Current “High Option” Participation	Difference between High & Standard Monthly Employer Premium	If all employees enrolled in Carefirst High Option had to pay the additional premium cost or enroll in the Standard option	
			Estimated Monthly Savings	Estimated Yearly Savings
<b>Single</b>	1,666	\$24.03	\$40,033.98	\$480,407.76
<b>Employee + 1</b>	1,244	\$41.58	\$51,725.52	\$620,706.24
<b>Family</b>	2,231	\$69.93	\$156,013.83	\$1,872,165.96
<b>Total</b>			\$247,773.33	\$2,973,279.96

If all employees enrolled in the Carefirst High Option medical plan either had to pay the additional premium cost, or enroll in the Standard option, CountyStat estimates the yearly savings to be \$2.97 million.



## (C) Health Benefits - Comparison of medical plan components (Active Employees)

Organization	Medical Plan			
	Plans Offered	Plan w/ Highest Enrollment	Co-pays*	
			Office Visit	ER
Montgomery Co	POS-2; HMO-2	Carefirst High Option POS	In-network - \$10 Out of network – 20% after deductible	In-network – \$25 (In service area) Out of network - 20% after deductible
MCPS	POS-2; HMO-3	United Healthcare Select HMO	In-network – \$5 Out of network – n/a	In-network – \$50 Out of network – n/a
MNCPPC	POS-1; HMO-2	CareFirst POS	In-network – \$10 Out of network – 20% after deductible	In-network – \$35 Out of network – 20% after deductible
Montgomery College	POS-1; PPO-1; HMO-1	CIGNA Healthcare POS	In-network – \$10 Out of network – 30% coinsurance after deductible	In-network – \$100 Out of network - \$100
Anne Arundel Co	PPO-1; HMO-2	CIGNA Open Access Plus HMO	In-network – \$5 Out of network – n/a	In-network – \$25 Out of network – n/a
Prince George's Co	POS-1; HMO-2	CIGNA Healthcare HMO	In-network – \$15 Out of network– n/a	In-network – \$50 Out of network– n/a
Howard Co	PPO-1; HMO-2	Aetna Select Open Access HMO	In-network – \$10 Out of network – n/a	In-network – \$100 Out of network – n/a
Baltimore Co	POS-1; HMO-2	United Healthcare Choice Open Access HMO	In-network – \$15 Out of network – n/a	In-network – \$50 Out of network – n/a
Fairfax Co	PPO-1; POS-1; HMO-1	Carefirst POS	In-network - \$10 Out of network – 30% coinsurance after deductible	In-network - \$50 Out of network – 30% coinsurance after deductible

*\*Note: For plan w/ the highest enrollment*

*Source: OHR, Health Benefits Jurisdictional Comparison, 1/5/10*



## (D) Health Benefits - Percent of medical premium paid by employer

Organization		Single	Employee + Spouse	Family
Montgomery Co	All Plans	80%	80%	80%
MCPS	HMO	95%	95%	95%
	PPO	90%	90%	90%
MNCPPC	All Plans	85%	85%	85%
Montgomery College	All Plans	75%	75%	75%
Anne Arundel Co	HMO	90%	90%	90%
	PPO	80%	80%	80%
Prince George's Co	HMO	78%	78%	78%
	PPO	73%	73%	73%
Howard Co	HMO	90%	90%	90%
	PPO	85%	85%	85%
Baltimore Co	HMO	90%	82.5%	80%
	POS	80%	77%	77%
Fairfax Co	All Plans	85%	75%	75%
Natl Compensation Survey (Bureau of Labor Statistics)	State & Local Govt - 2008	90%	--	73%
Natl Compensation Survey (Bureau of Labor Statistics)	Private Industry - 2008	81%	--	71%



Source: (1) OHR, Health Benefits Jurisdictional Comparison, 1/5/10  
 (2) U.S. Bureau of Labor Statistics, National Compensation Survey  
 Health & Retirement Benefits

## (E) Health Benefits - Average monthly employer premium

- (1) Average monthly premium across all offered plans  
(2) Monthly premium for plan with highest enrollment

Organization		Single	Employee + Spouse*	Family
Montgomery Co	(1)	597.69	1,106.93	1,756.78
	(2)	<b>685.53</b>	<b>1,236.87</b>	<b>1,989.00</b>
MCPS	(1)	474.10	932.92	1,329.65
	(2)	<b>493.72</b>	<b>945.47</b>	<b>1,444.82</b>
MNCPPC	(1)	369.76	741.87	1,107.31
	(2)	<b>364.50</b>	<b>725.53</b>	<b>1,087.57</b>
Montgomery College	(1)	359.22	970.43	970.43
	(2)	<b>393.71</b>	<b>1,061.45</b>	<b>1,061.45</b>
Anne Arundel Co	(1)	427.02	910.59	1,178.42
	(2)	<b>385.91</b>	<b>824.85</b>	<b>1,066.26</b>
Prince George's Co	(1)	362.09	725.82	1,001.19
	(2)	<b>328.01</b>	<b>656.44</b>	<b>892.22</b>
Howard Co	(1)	438.06	1008.05	1,282.89
	(2)	<b>435.98</b>	<b>1,002.62</b>	<b>1,288.87</b>
Baltimore Co	(1)	441.22	861.94	1,227.59
	(2)	<b>372.92</b>	<b>726.26</b>	<b>1,008.47</b>
Fairfax Co	(1)	399.83	743.66	1,031.89
	(2)	<b>402.40</b>	<b>700.54</b>	<b>1,036.28</b>



\* Not all organizations split employee + 1 into "employee + spouse" and "parent + child."

Premiums reflect the total cost of health, prescription, dental and vision coverage. For those with Rx, dental and vision carve-outs, those supplemental premiums have been added in. Where more than 1 option exists, the plan that most closely matched the highest enrollment supplemental plan for Montgomery County was chosen. Source: (1) OHR, Health Benefits Jurisdictional Comparison, 1/5/10

## (F) Health Benefits – Employee selections by type of coverage

County Actives	Number of Participants (As of 2-1-2010)									
	Medical					Dental	Vision	Prescription - Caremark		
	Carefirst High	Carefirst Stand.	Kaiser	UHC	Total			High	Stand- ard	Total
<b>Individual</b>	1,666	140	<b>426</b>	<b>485</b>	2,717	2,760	2,535	1,677	590	2,267
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<b>Total</b>	<b>5,141</b>	<b>320</b>	<b>1,091</b>	<b>1,636</b>	<b>8,188</b>	<b>8,558</b>	<b>8,029</b>	4,953	2,092	<b>7,045</b>

This table displays data, current as of 2-1-2010, on the number of “County active” participants (excluding retirees) participating in each type of available coverage (i.e. individual, employee+1, family).



Source: OHR, Enrollment Summary, 2-1-2010



## (G) Health Benefits - Comparison of Rx plan components (Active Employees)

Organization		Prescription			
		Separate Rx Premium	Rx Deductible	Retail Co-pays Generic/Preferred/Non-Pref.	Mail Order Co-pays Gen/Pref/Non-Pref.
Montgomery Co	Caremark High	Yes	No	\$4/ n.a. / \$8	\$4/ n.a. / \$8
	Caremark Stand.	Yes	\$50	\$10/ \$20/ \$35	\$10/ \$20/ \$35
	Kaiser (HMO)	No	No	\$5 (\$15*)	\$5
MCPS	Caremark	Yes	No	\$5/ \$10/ \$25	\$0/ \$10/ \$25
	Kaiser (HMO)	Yes	No	\$5 (\$10*)	\$5
MNCPPC	Caremark	Yes	No	\$8/ \$16/ \$25	\$16/ \$32/ \$40
Montgomery College	CIGNA POS	No	No	\$10/ \$20/ \$40	\$20/ \$40/ \$80
	CIGNA PPO	No	\$150	\$10/ \$20/ \$40	\$20/ \$40/ \$80
	Kaiser (HMO)	No	No	\$15(\$16*)/ n.a./ \$30(\$37*)	\$15/ n.a./ \$30
Anne Arundel Co	Blue Choice	No	No	\$5/ \$15/ \$25	\$10/ \$30/ \$50
	Caremark (HMO)	No	No	\$5/ \$12(\$15*)/ \$22 (\$25)	\$10/ \$30/ \$50
Prince George's Co	MedCo	Yes	\$50/ person	\$10/ \$20/ \$40	\$20/ \$40/ \$80
Howard Co	Aetna	No	No	\$10/ \$30/ \$50	\$10/ \$30/ \$50
	Kaiser (HMO)	No	No	\$10(\$30*)/ \$30(\$50*)/ \$50(\$75)	\$10(\$30*)/ \$30(\$50*)/ \$50(\$75)
Baltimore Co	Express Scripts	Yes	No	\$5/ \$20/ \$35	\$15/ \$60/ \$105
	Kaiser (HMO)	No	No	\$5(\$11)/ n.a./ \$15(\$27)	\$5/ n.a./ \$15
Fairfax Co	Carefirst	No	No	\$10/\$20/\$35	\$20/\$40/\$70



*\*Note: Price at a non-preferred participating pharmacy*

*Source: OHR, Health Benefits Jurisdictional Comparison, 1/5/10*

3/2/2010

## (H) Health Benefits - Comparison of Rx plan components (Active Employees)

Organization		Prescription		
		Mandatory Generic Provision	Mandatory Mail Order Provision	Fourth-tier Drugs Co-pay
Montgomery Co	Caremark High	No	Yes	No
	Caremark Standard	No	Yes	No
	Kaiser (HMO)	n.a.	n.a.	n.a.
MCPS	Caremark	Yes	Yes	No
	Kaiser (HMO)	Yes	Yes	No
MNCPPC	Caremark	Yes	Yes	Yes
Montgomery College	CIGNA POS	No	Yes	No
	CIGNA PPO	No	Yes	No
	Kaiser (HMO)	No	No	No
Anne Arundel Co	Blue Choice	Yes	Yes	No
	Caremark (HMO)	Yes	Yes	No
Prince George's Co	MedCo	No	Yes	No
Howard Co	Aetna	Yes	No	No
	Kaiser (HMO)	No	No	No
Baltimore Co	Express Scripts	Yes	No	No
	Kaiser (HMO)	No	No	No
Fairfax Co	Carefirst	No	No	No



Source: OHR, Health Benefits Jurisdictional Comparison, 1/5/10

# Health Benefits Findings

## Quality & Customer Service

- (A) Employee take-up for the County, those employees with access who elect to participate in group insurance, is higher than the benchmark in each case except for vision coverage.
- (B) From FY07 to FY10, take-up rates across health insurance components (medical, dental, vision, Rx) have changed very little.
- (C) For the most part, the County's health insurance vendors consistently meet their performance guarantees. In 2009, Carefirst has the lowest percent of guarantees met (92%)

Vendor	2008	2009
CareFirst	100% met	92% met
UHC	100% met	100% met
UCCI	98% met	100% met
Caremark	100% met	94% met
Conexis	100% met	100% met

- (D) In the department's survey on benefits communications, on the whole, surveyed retirees were relatively less satisfied than active employees.
  - Working to increase the response rate, currently less than 3% of enrolled active employees, and less than 3% of enrolled retirees, will increase the value of such a survey.



## (A) Health Benefits - Take-up rate in County health plans – FY09

Percent take-up in County health plans is the rate of workers with access who participate in those plans

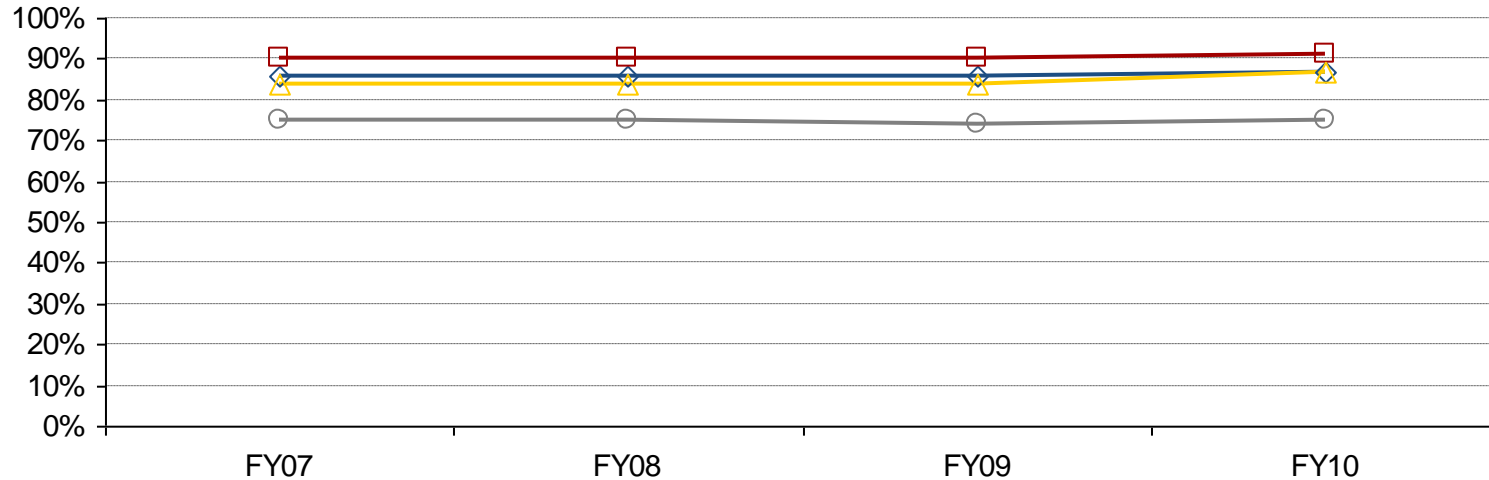
Plan	Employee Access	Employee Participation	Employee Take-up	Natl Compensation Survey State & Local Govt - 2008 (Bureau of Labor Statistics)	Natl Compensation Survey Private Industry - 2008 (Bureau of Labor Statistics)
	Number	Number	Percent	Percent	Percent
Medical (Kaiser Permanente, United Healthcare, CareFirst BlueCross Blue Shield)	9,378	8,188	87%	83%	75%
Dental	9,378	8,558	91%	85%	79%
Vision	9,378	8,029	87%	81%	78%
Prescription	9,378	7,045	75%	83%	75%

Source: (1) OHR, Enrollment Summary, 2-1-2010

(2) U.S. Bureau of Labor Statistics, National Compensation Survey, Mar '08



## (B) Health Benefits - Take-up rate in County health plans - Historical



Benefit		FY07	FY08	FY09	FY10
Medical	◆	86%	86%	86%	87%
Dental	□	90%	90%	90%	91%
Vision	△	84%	84%	84%	87%
Prescription	○	75%	75%	74%	75%

A change in take-up rates over time may indicate a change in satisfaction with some aspect of the employer's insurance offerings. The County has experienced very little movement in this indicator over the last 4 FYs.

**Source:** OHR, Enrollment Summary, 2-2010; 2-2009; 2-2008; 3-2007

**Employee figures to calculate take-up rate from Human Capital Management System**



## (C) Health Benefits - Percent of vendor performance guarantees met

Each vendor is responsible for meeting a set of performance guarantees related to customer service, claims processing, etc.

Vendor	2008				2009			
	1/1/08-3/31/08	4/1/08-6/30/08	7/1/08-9/30/08	10/1/08-12/31/08	1/1/09-3/31/09	4/1/09-6/30/09	7/1/09-9/30/09	10/1/09-12/31/09
	# Perf. Guarantees Met	# Perf. Guarantees Met	# Perf. Guarantees Met	# Perf. Guarantees Met	# Perf. Guarantees Met	# Perf. Guarantees Met	# Perf. Guarantees Met	# Perf. Guarantees Met
Medical-CareFirst	16/16	16/16	16/16	16/16	12/13	12/13	12/13	--
Medical-UHC	19/19	19/19	19/19	19/19	19/19	19/19	19/19	19/19
Dental - UCCI	12/12	12/12	12/12	11/12	12/12	12/12	12/12	--
Rx-Caremark	25/26	25/26	25/26	25/26	25/26	24/26	24/26	--
Conexis	22/22	22/22	22/22	22/22	22/22	22/22	22/22	--

**Yellow** indicates less than 100% performance guarantees met

**Source: Health insurance vendor reports**



## (D) Health Benefits - Employee satisfaction with the benefit communications, FY09

Employees were asked to complete a survey on benefits communications, including open enrollment and other benefits-related materials.

Final results for Benefits Communications Survey indicated the following:

- *Active Employees (183 responses)*
  - 93% said the redesigned Open Enrollment Employee Guide was “Clear.”
    - Clear, Somewhat clear, Unclear, I did not receive it or access it online
  - 82% said the guide provided “Just the right amount of information.”
    - Just the right amount of information, Too much information, Not enough information, I did not receive it or access it online
  - 80% said it was “Easy” to find what they needed using the new online Open Enrollment Home Pages.
    - Easy, Somewhat easy, Difficult, I did not go online
- *Retired Employees (108 responses)*
  - 73% said the redesigned Open Enrollment Retiree Guide was “Clear.”
  - 69% said the Guide provided “Just the right amount of information.”



**Source: OHR, Benefits Communications Survey**

# Health Benefits: Summary of Results

Data Points	Results	What will be done to either maintain good performance or improve performance over the next year?
Health		
Cost	<ul style="list-style-type: none"> <li>Of the 9 organizations reviewed, Mont. Co. has the highest average employer premium across all its plans, and the highest employer premium when solely comparing plans with highest enrollment in each jurisdiction.</li> </ul>	The County will work collaboratively with labor to analyze plan experience, identify cost drivers, and identify cost savings opportunities. Note that some rates in the data provided are for 2009 while others are for 2010.
	<ul style="list-style-type: none"> <li>Average monthly group insurance costs to employer per eligible employee have increased each year since 2007, and 13% from FY09 to FY10.</li> </ul>	Plans are self insured and rates are a function of claims. In 2009 rates were set below expected claims to draw down surplus. The average 2010 rate increase for all plans was 10.1% and would have been 7.3% if the '09 rate had been set to cover expected claims.
Quality	<ul style="list-style-type: none"> <li>With the exception of MCPS, Mont. Co. and Fairfax have the most variety in plans.</li> </ul>	Plans offered are the subject of collective bargaining. OHR will work with the unions to review plan offerings once the data review referenced in the cost section above is complete.
	<ul style="list-style-type: none"> <li>Co-pays are in line with the other organizations reviewed.</li> <li>For Rx plans, Mont. Co. has the lowest co-pays.</li> </ul>	While the co-pays for the high option Rx plan are generally low, employer/employee cost sharing is set against the standard option Rx plan which has higher co-pays. Employees pay more to get the lower co-pay.
	<ul style="list-style-type: none"> <li>Take-up rates are relatively constant over time for medical, dental, vision and Rx, and higher than the BLS state &amp; local govt. benchmark (except for vision).</li> </ul>	We will be considering offering an opt-out plan.
	<ul style="list-style-type: none"> <li>Close to 100% of vendor performance guarantees have been met over the last two years.</li> </ul>	Bid process will evaluate performance guarantees.
Customer Service	<ul style="list-style-type: none"> <li>Active employees are relatively satisfied with benefits communications</li> <li>Retired employees are relatively less satisfied compared to active employees</li> </ul>	Constructive criticism from retirees will be used to improve next year's open enrollment package. Plans are to collaborate with the Retiree Association over the summer to better address communications opportunities.





# Retirement Benefits Findings

## Cost

- **(A) & (B) Retirement payments have increased 46% from FY05 to FY09.**
  - Total participants have increased by 15% over the same timeframe
  - The largest year to year increase in payments was FY08 to FY09, while the largest year to year increase in participants was FY07 to FY08.

## Quality

- **(C) For civilians, age/service requirements and employee contribution limits are similar across jurisdictions.**
- **(D) For Police, Mont. Co. is in the middle of the range for age/service requirements, and employee contribution.**

## Customer Service

- **(E) Total number of participants in retirement seminars has gone up dramatically since FY04.**
  - The number of participants per session has doubled from FY08 to FY09.

	FY04	FY05	FY06	FY07	FY08	FY09
Average number of participants per session	21	18	26	24	18	42



## (A) Retirement Benefits - Total annual disbursements, Historical

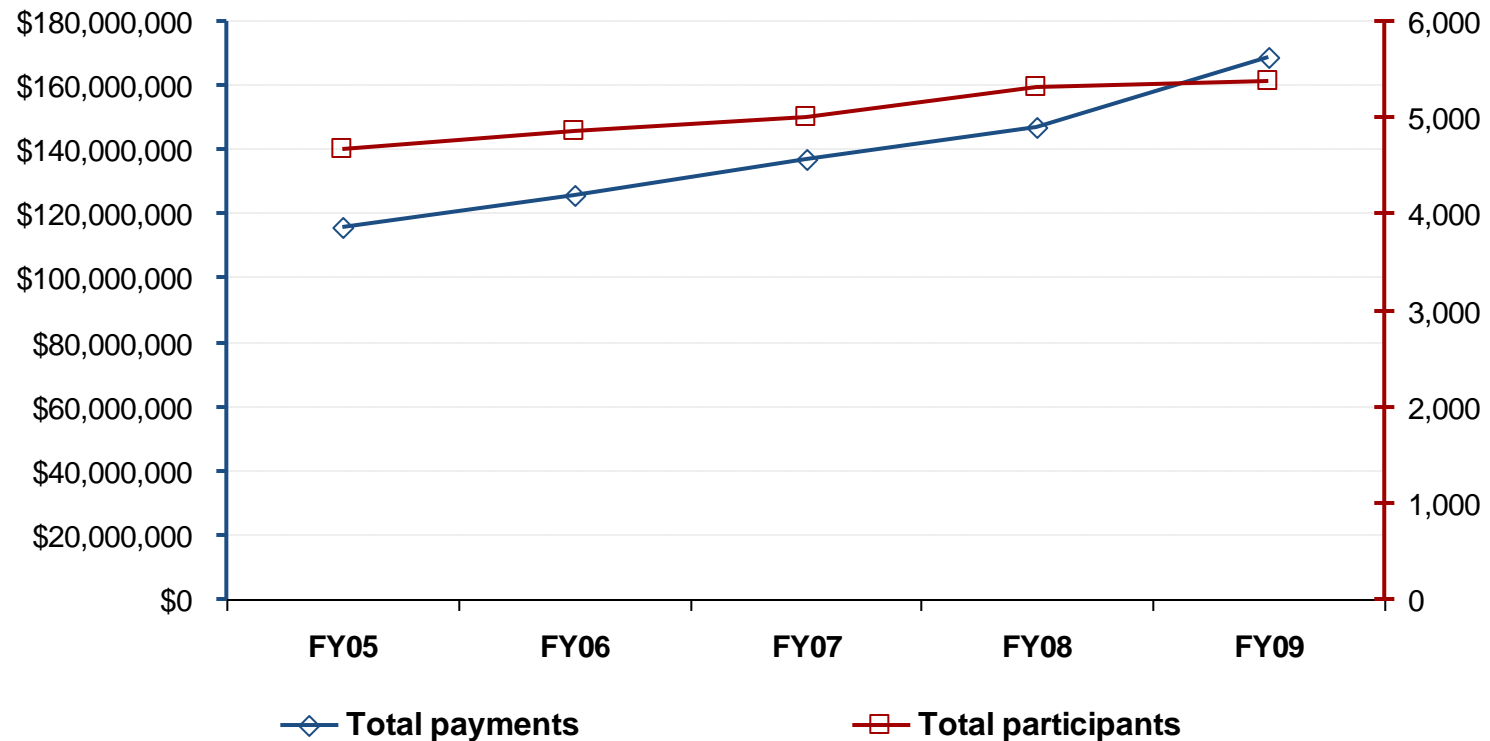
ANNUITY PAYMENTS			# OF MEMBERS RECEIVING BENEFITS AS OF JUNE 30 EACH FY			
FY	Dollars	Dates	ANNUITANTS	SURVIVORS	DISABLED	TOTAL
<b>FY09</b>	\$168,618,251	7-1-08 thru 6-30-09	3,957	386	1,036	5,379
<b>FY08</b>	\$147,026,997	7-1-07 thru 6-30-08	3,905	380	1,021	5,306
<b>FY07</b>	\$136,833,108	7-1-06 thru 6-30-07	3,661	361	975	4,997
<b>FY06</b>	\$125,818,326	7-1-05 thru 6-30-06	3,564	365	919	4,848
<b>FY05</b>	\$115,634,583	7-1-04 thru 6-30-05	3,443	369	853	4,665

The table displays data on the total retirement disbursements made in each FY, and the total number of members.



**Source: OHR, Retirement disbursement summary**

## (B) Retirement Benefits - Total annual disbursements, Historical



Source: OHR, Retirement disbursement summary

## (C) Retirement Benefits (Civilian) - Comparison of components, FY09

Organization	Age & Service Reqs	Employee Contribution
Montgomery Co	RSP – Age 62 Empl Retirement System for Co. Employees – Age 60 w/ 5 YOS Empl Retirement System for SHF & DOCR – Age 55 w/ 15 YOS or age 46 w/ 25 YOS	RSP – 4%, 8% on amounts over Social Security wage base (SSWB) ERS (Co. Empl) – 4%, 6% on amts over SSWB ERS (SHF & DOCR) – 4.75%, 8.5% on amts over SSWB
MCPS	Age 62 w/ 5 YOS or 30 YOS regardless of age	Core benefit: 5%; Supplemental: 0.5%
MNCPPC	Age 60 w/ 5 YOS or 30 YOS regardless of age	3%, 6% on amounts over SSWB
Montgomery College	MD Pension: Age 62 w/ 5 YOS, 63 w/ 4 YOS, 64 w/ 3 YOS, 65 w/ 2 YOS, or 30 YOS regardless of age	MD Pension: 5%
Anne Arundel Co	Before 7-1-99: Age 60 or 30 YOS regardless of age After 7-1-99: Age 60 w/ 5 YOS or 30 YOS regardless of age	No contribution
Prince George's Co	MD Pension: Age 62 w/ 5 YOS, 63 w/ 4 YOS, 64 w/ 3 YOS, 65 w/ 2 YOS, or 30 YOS regardless of age Supplemental Plan: Age 55 w/ 15 YOS, or age 62 w/ 5 YOS, or 30 YOS regardless of age	MD Pension (Non-Contributory System): 5% on compensation that exceeds SSWB
Howard Co	30 YOS regardless of age, or when age + service = 67 and the retiree has reached 62 w/ at least 2 YOS	2%
Baltimore Co	Before 1-1-07: Age 60 w/ 5 YOS, or 30 YOS regardless of age After 1-1-07: Age 67 w/ 10 YOS, or 35 YOS regardless of age	Before 1-1-07: Varies according to age when hired After 1-1-07: 6%
Fairfax Co	Age 65 w/ 5 YOS, or at least age 50 when age + service =80	Plan A: 4%, 5.333% on amts over SSWB Plan B: 5.333% of salary

Source: OHR, Retirement Benefits Jurisdictional Comparison, 1/5/10

YOS: Years of Service



## (D) Retirement Benefits (Police) - Comparison of components, FY09

Organization	Age & Service Reqs	Employee Contribution
Montgomery Co	Age 55 w/ 15 YOS, or regardless of age with 25 YOS	Non-integrated: 8.5% Integrated: 4.75%, plus 8.5% above SSWB
Maryland State Police	Age 50, regardless of service, or 22 YOS regardless of age	8%
MNCPPC	Age 50, regardless of service, or 22 YOS regardless of age	8%
Montgomery College	Age 55 w/ 5 YOS, or regardless of age with 25 YOS	No information
Anne Arundel Co	Age 50 w/ 5 YOS, or regardless of age with 20 YOS	5%
Prince George's Co	Age 55 or after 20 YOS	Before 7/1/95: 5.5% After 7/1/95: 8% in 1 <sup>st</sup> 5 YOS, 7% in 5-10 YOS, and 5.5% in all subsequent years
Howard Co	Age 62 with 5 YOS, or 20 YOS regardless of age	11.6%
Baltimore Co	Before 1-1-07: After 20 YOS regardless of age After 1-1-07: Age 60 w/ 10 YOS, or 25 YOS regardless of age	Before 1-1-07: Rate varies After 1-1-07: 7%
Fairfax Co	Age 55 with 5 YOS, or after 25 YOS regardless of age	10%

Source: OHR, Retirement Benefits Jurisdictional Comparison, 1/5/10

YOS: Years of Service



## (E) Retirement Benefits - Customer Service, FY09

### Use of Online Tools

- **Pension calculator usage based on the complete months of 11/09 and 12/09:**
  - Average number of people using the pension calculator: 763 per month
  - Average number of total hits (some hits by same employees): 1,262 per month
  - OHR is re-engineering the site so that hits will be counted automatically going forward.

### Attendance at Retirement Seminars

	FY04	FY05	FY06	FY07	FY08	FY09
Total number of participants	147	175	342	298	846	1,373
Number of sessions	7	10	13	12	48	33
Average number of participants per session	21	18	26	24	18	42

This table displays data on participation in retirement seminars.



**Source: OHR**

# Retirement: Summary of Results

Data Points	Results	What will be done to either maintain good performance or improve performance over the next year?
Retirement		
Cost/ Quality	<ul style="list-style-type: none"> <li>Retirement payments have increased 46% from FY05 to FY09. Total participants have increased by 15% over the same timeframe.</li> </ul>	Current retirees have a generous COLA provision, and the Defined Benefit plan formula calculates benefits based on average final earnings. While there were no pay increases in 2009, retirement benefits are calculated as if pay had increased (Phantom GWA).
	<ul style="list-style-type: none"> <li>The largest year to year increase in payments was FY08 to FY09, while the largest year to year increase in participants was FY07 to FY08.</li> </ul>	Retirement benefits are the subject of collective bargaining. Labor and management will continue to evaluate retirement offerings.
	<ul style="list-style-type: none"> <li>For civilians, age/service requirements and employee contribution limits are similar across jurisdictions.</li> <li>For Police, Mont. Co. is in the middle of the range for age/service requirements, and employee contribution.</li> </ul>	The move to a defined contribution plan in 1994 allows for more cost control for non-public safety employees. More than ½ of non-public safety employees are in the DC plan. Retirement benefits will continue to be discussed at the bargaining table.
Customer Service	<ul style="list-style-type: none"> <li>Total number of participants in retirement seminars has gone up dramatically since FY04.</li> </ul>	The demand for quality retirement planning support is high and we will continue to improve the quality and number of retirement seminars.
	<ul style="list-style-type: none"> <li>The number of participants per session has doubled from FY08 to FY09.</li> </ul>	We will continue to offer sessions to meet customer demands.



## Wrap-up

- Follow-up items





## Appendix: Health Benefits - Monthly employer premium Detail (1 of 2)

Organization		Single	Employee + Spouse	Parent + Child	Family
Montgomery Co	Carefirst High POS	<b>685.53</b>	<b>1,236.87</b>	<b>1,236.87</b>	<b>1,989.00</b>
	Carefirst St POS	661.50	1,195.29	1,195.29	1,919.07
	UHC HMO	654.48	1,249.11	1,249.11	1,952.64
	Kaiser HMO	389.25	746.46	746.46	1,166.40
MCPS	Carefirst Open POS	522.41	1,044.62	1,044.62	1,397.76
	UHC Select Plus POS	512.6	1,024.92	1,024.92	1,371.05
	Carefirst Blue Choice HMO	407.27	782.86	782.86	1,178.06
	Kaiser HMO	434.48	866.73	866.73	1,256.58
	<b>UHC Select HMO</b>	<b>493.72</b>	<b>945.47</b>	<b>945.47</b>	<b>1,444.82</b>
MNCPPC	<b>Carefirst POS</b>	<b>364.50</b>	<b>725.53</b>	<b>725.53</b>	<b>1,087.57</b>
	UHC Select EPO HMO	359.62	719.64	719.64	1,082.64
	Aetna Select HMO	385.15	780.44	780.44	1,151.72
Montgomery College	CIGNA PPO	376.55	1018.36	1018.36	1018.36
	<b>CIGNA HealthCare POS</b>	<b>393.71</b>	<b>1061.45</b>	<b>1061.45</b>	<b>1061.45</b>
	Kaiser HMO	307.39	831.48	831.48	831.48

**Bold = Plan with the highest enrollment**

*Premiums reflect the total cost of health, prescription, dental and vision coverage. For those with Rx, dental and vision carve-outs, those supplemental premiums have been added in. Where more than 1 option exists, the plan that most closely matched the highest enrollment supplemental plan for Montgomery County was chosen.*

**Source: (1) OHR, Health Benefits Jurisdictional Comparison, 1/5/10**



## Appendix: Health Benefits - Monthly employer premium Detail (2 of 2)

Organization		Single	Employee + Spouse	Parent + Child	Family
Anne Arundel Co	Blue Choice Triple Choice PPO	471.99	1,005.25	794.82	1,301.73
	Blue Choice HMO	423.15	901.68	756.02	1,167.27
	<b>CIGNA Open Access Plus HMO</b>	<b>385.91</b>	<b>824.85</b>	<b>1,895.60</b>	<b>1,066.26</b>
Prince George's Co	CIGNA Healthcare POS	415.30	836.57	836.57	1,148.16
	<b>CIGNA Healthcare HMO</b>	<b>328.01</b>	<b>656.44</b>	<b>656.44</b>	<b>892.22</b>
	Kaiser HMO	342.97	684.44	684.44	963.19
Howard Co	Aetna Open Choice PPO	496.70	1,143.99	870.65	1,417.66
	<b>Aetna Select Open Access HMO</b>	<b>435.98</b>	<b>1,002.62</b>	<b>813.23</b>	<b>1,288.87</b>
	Kaiser HMO	381.50	877.53	722.36	1,142.14
Baltimore Co	Carefirst BCBS Triple Choice POS	517.62	1,064.24	745.85	1,512.17
	Kaiser Select HMO	433.12	795.33	615.37	1,162.14
	<b>United Healthcare Choice HMO</b>	<b>372.92</b>	<b>726.26</b>	<b>515.96</b>	<b>1,008.47</b>
Fairfax Co	CIGNA Open Access Plus PPO	337.18	583.19	583.19	875.55
	<b>Blue Choice POS</b>	<b>402.40</b>	<b>700.54</b>	<b>700.54</b>	<b>1,036.28</b>
	Blue Preferred PPO	467.56	813.53	813.53	1,202.49
	Kaiser HMO	392.17	877.38	877.38	1,013.24

*Premiums reflect the total cost of health, prescription, dental and vision coverage. For those with Rx, dental and vision carve-outs, those supplemental premiums have been added in. Where more than 1 option exists, the plan that most closely matched the highest enrollment supplemental plan for Montgomery County was chosen.*

Source: (1) OHR, Health Benefits Jurisdictional Comparison, 1/5/10



## Appendix: Health Benefits - Active Employees with No Coverage

Active Employees with no County Health Coverage		Medical	Dental	Vision	Prescription
No coverage as the participant or as a dependent	30 and under	54	59	172	235
	31-40	174	143	313	487
	41-50	313	211	372	718
	51-60	355	198	318	650
	61 and over	173	85	112	232
Total – No Coverage		1,069	696	1,287	2,322

Active Employees with no County Health Coverage	Medical	Dental	Vision	Prescription
Has coverage as a dependent under another County employee's coverage	249	232	211	243

The two tables display data on County employees who do not take part in County health benefits, and those employees who are covered under someone else's coverage, respectively.

**Source: OHR, Enrollment Summary, 2-1-2010**

